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TRICARE  
MANAGEMENT ACTIVITY

MB&RS

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6010.55-M  
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TRICARE REIMBURSEMENT MANUAL (TRM)

The TRICARE Management Activity has authorized the following addition(s)/revision(s) to the 6010.55-M, issued August 2002.

CHANGE TITLE: CONSOLIDATED

PAGE CHANGE(S): See pages 2 through 5.

SUMMARY OF ADDITIONS/REVISIONS: See pages 6 through 12.

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and Reimbursement Systems

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WHEN PRESCRIBED ACTION HAS BEEN TAKEN, FILE THIS TRANSMITTAL WITH BASIC DOCUMENT

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## **SUMMARY OF CHANGES**

1. Introduction. Adds information on the TRICARE Dual Eligibility Fiscal Intermediary Contract (TDEFIC) and clarifies the TBD language.

### **CHAPTER 1**

2. Section 6. Reimbursement of Physician Assistants and Nurse Practitioners adds September 1, 2003, as the effective date for reimbursing nurse practitioner services and removes clinical nurse specialists.
3. Section 9. Anesthesia, includes anesthesiologist assistants and the basis for paying their services.
4. Section 14. Ambulance Services moves paragraph 4 after BLS and ALS subparagraphs to correct formatting. Adds separate payment of paramedic intercept services when certain conditions are met.
5. Section 15. Legend Drugs and Insulin clarifies pricing of "J" codes.
6. Section 17. Deleted Clinical Nurse Specialists as approved Assistant Surgeons.
7. Section 24. Hospital Reimbursement - Outpatient Services adds drugs administered other than oral method as payable based on allowable charges when the claim has sufficient HCPCS coding information.
8. Section 28. Reduction of Payment for Noncompliance with Utilization Review Requirements removes the reference to the first eight mental health allowances as the contractors are to use their best business practices for utilization management of these services. The reference was inadvertently left in the initial publication.
9. Section 33. Bonus Payments in Health Professional Shortage Areas rewrites the policy on how bonus payments in medically underserved areas are made.
10. Addendum B, Figure 1-B-2. Removes Attestation Statement for the TRICARE Bonus Payment that was inadvertently included in this package

### **CHAPTER 2**

11. Section 1. Cost-Shares and Deductibles allows dependents of reserve component members to enroll in Prime if the reserve component member is activated for 31 days or more as of March 10, 2003; inserts a Note to paragraph f; and permits the Director, TMA to waive the deductible for dependents of certain reserve component members. Updated tables with Fiscal Year 2004 information.

## **SUMMARY OF CHANGES (Continued)**

### **CHAPTER 2 (Continued)**

12. Section 2. Catastrophic Loss Protection adds clarification regarding the application of expenditures to enrollment year and fiscal year catastrophic cap for active duty service members that retire other than the first of the month and enroll as retirees in TRICARE Prime without a break in service.
13. Section 3. Point of Service Option removes the reference to the first eight mental health allowances and the preauthorization requirement as the contractors are to use their best business practices for utilization management of these service. The reference was inadvertently left in the initial publication.
14. Addendum A. Benefits and Beneficiary Payments changes cost-share for retirees, their family members and survivors for skilled nursing facility care to 20%.

### **CHAPTER 3**

15. Section 1. Reimbursement of Individual Health Care Professionals and Other Non-Institutional Health Care Providers, adds language on how bonus payments in medically underserved areas are made.
16. Section 2. Hospital the Other Institutional Reimbursement adds language to submit voucher in an electronic format to TMA, CRM.

### **CHAPTER 4**

17. Section 2. Double Coverage, changes monthly listing and monthly report to weekly listing and weekly report and changes the file format from Microsoft Excel to a flat file.
18. Section 4. Specific Double Coverage Actions, adds double coverage provisions for TRICARE beneficiaries who are entitled to medical services and items provided under Part C of the Individuals with Disabilities Education Act (IDEA).

### **CHAPTER 5**

19. Section 2. Allowable Charges - CHAMPUS Maximum Allowable Charges (CMAC) raises the payment level for certain providers to the physician level. In addition, podiatrists, oral surgeons and optometrists will be eligible to receive the bonus payment. Also includes list of codes that are no longer eligible for separate TRICARE/CHAMPUS cost sharing that was inadvertently left out of the initial publication. Effective date changed from August 1, 2003 to September 1, 2003.

**SUMMARY OF CHANGES (Continued)**

**CHAPTER 6**

20. Table of Contents. Removed Addenda B, C, G, H, and I for Fiscal Year 2001. Removed Addenda G and H for Fiscal Year 2002. Removed Addendum J for Fiscal Year 2003. Added Addendum F for Fiscal Year 2003. Added Addenda B, C, D, E, and F for Fiscal Year 2004.
21. Section 2. Hospital Reimbursement - TRICARE/CHAMPUS DRG-Based Payment System (General Description of System) adds August 1, 2003, as the effective date for following the new procedures when calculating payment when a beneficiary loses TRICARE eligibility, and the patient stay results in a cost outlier payment. Also clarifies language when a beneficiary's TRICARE eligibility status changes.
22. Section 3. Hospital Reimbursement - TRICARE/CHAMPUS DRG-Based Payment System (Basis of Payment) adds the October 1, 1995, effective date for the change on cost outliers and transfer cases. Updated section with Fiscal Year 2004 information.
23. Section 4. Hospital Reimbursement - TRICARE/CHAMPUS DRG-Based Payment System (Applicability of the DRG System) adds language that all services related to combined liver-kidney transplants (CLKTs) and combined heart-kidney transplants (CHKTs) through July 31, 2003, are excluded from the DRG payment. Effective August 1, 2003, CLKTs and CHKTs shall be paid under the assigned DRG based on the procedure performed. Also removes the reference to paying Pancreas After Kidney (PAK) and Pancreas Transplant Alone (PTA) under the appropriate DRG once these transplants become a benefit. Updated section with Fiscal Year 2004 information.
24. Section 7. Hospital Reimbursement - TRICARE/CHAMPUS DRG-Based Payment System (Adjusted Standardized Amounts) updated section with Fiscal Year 2004 information.
25. Section 8. Hospital Reimbursement - TRICARE/CHAMPUS DRG-Based Payment System (Adjustments To Payment Amounts) updated section with Fiscal Year 2004 information.
26. Addendum B (FY 2001). Deleted Addendum.
27. Addendum B (FY 2003). Raises the ASA rates for other areas to the Large Urban rates under the DRG-based payment system for admissions on or after April 1, 2003, through September 30, 2003.
28. Addendum B (FY2004). Added Addendum for Fiscal Year 2004. Raises the ASA rates for other areas to the Large Urban rates under the DRG-based payment system for admissions on or after November 1, 2003, through April 30, 2004.
29. Addendum C (FY 2001). Deleted Addendum.



**SUMMARY OF CHANGES (Continued)**

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30. Addendum C (FY2004). Added Addendum for Fiscal Year 2004.
31. Addendum D (FY 2001). Incorporated Addendum G (FY 2001) from initial publication into this addendum.
32. Addendum D (FY 2002). Incorporated Addendum G (FY 2002) from initial publication into this addendum.
33. Addendum D (FY 2003). Adds corrected wage index values for FY 2003.
34. Addendum D (FY2004). Added Addendum for Fiscal Year 2004.
35. Addendum E (FY 2001). Incorporates Addendum H (FY 2001) from initial publication into this addendum.
36. Addendum E (FY 2002). Incorporates Addendum H (FY 2002) from initial publication into this addendum.
37. Addendum E (FY 2003). Adds corrected reclassified wage index values for FY 2003.
38. Addendum E (FY2004). Added Addendum for Fiscal Year 2004.
39. Addendum F (FY 2001). Incorporates Addendum I (FY 2001) from initial publication into this addendum.
40. Addendum F (FY 2003). Adds revised reclassification of FY 2003 Wage Indexes and Standardized Amounts for Individual Hospitals. This addendum replaces Addendum J (FY 2003) of initial publication.
41. Addendum F (FY2004). Added Addendum for Fiscal Year 2004.
42. Addendum G (FY 2001). Deleted Addendum.
43. Addendum G (FY 2002). Deleted Addendum.
44. Addendum H (FY 2001). Deleted Addendum.
45. Addendum H (FY 2002). Deleted Addendum.
46. Addendum I (FY 2001). Deleted Addendum.
47. Addendum J (FY 2003). Deleted Addendum.

**SUMMARY OF CHANGES (Continued)**

**CHAPTER 7**

- 48. Section 1. Hospital Reimbursement - TRICARE/CHAMPUS Inpatient Mental Health Per Diem Payment System updates the mental health deflator factor for 2002, and includes the mental health per diem cap amount for FY 2003. Updated section with Fiscal Year 2004 information.
- 49. Section 3. Substance Use Disorder Rehabilitation Facilities Reimbursement, removes reference to Level 3 codes.
- 50. Addendum A. Updated addendum with Fiscal Year 2004 information.
- 51. Addendum E, Table of Contents. Updated page number for Section F.
- 52. Addendum E. Updated addendum with Fiscal Year 2004 information.
- 53. Addendum F (FY 2001). Deleted Addendum.
- 54. Addendum F (FY 2002). Corrected Indiana and Pennsylvania's facility name and TRICARE/CHAMPUS rates.
- 55. Addendum F (FY 2003). Corrected Indiana and Pennsylvania's facility name and TRICARE/CHAMPUS rates.
- 56. Addendum F (FY2004). Added Addendum for Fiscal Year 2004.

**CHAPTER 8**

- 57. Section 1. Skilled Nursing Facility (SNF) Reimbursement adds the effective date of August 1, 2003 for SNF PPS reimbursement and adds language that SNFs in Puerto Rico and the U.S. Territories (Guam, the Virgin Islands, and American Samoa) are required to be Medicare certified.
- 58. Section 2. Skilled Nursing Facility (SNF) Prospective Payment System (PPS) aligns the TRICARE SNF benefit with Medicare SNF benefit; adds August 1, 2003, as the effective date for the TRICARE SNF PPS reimbursement; adds language stating the SNF PPS applies to Supplemental Care benefits, TAMP and CHCBP; adds language stating that beneficiaries under age 10 and the CAH swing beds will not be subject to SNF PPS; adds language stating that unless required in their MOU or Provider Agreement, VA facilities may not be subject to SNF PPS; adds clarifying language on routine SNF updates.
- 59. Addendum E. Corrected typographical errors.
- 60. Addendum J. Adds August 1, 2003 as the effective date for the TRICARE SNF PPS.

## **SUMMARY OF CHANGES (Continued)**

### **CHAPTER 9**

- 61. Table of Contents. Added Addendum B.
- 62. Section 1. Ambulatory Surgical Center Reimbursement, corrects cross-reference and updated section with Fiscal Year 2004 information.
- 63. Addendum A. Updates the list of TRICARE-approved ambulatory surgery procedures, effective July 1, 2003 and valid for claims on or before October 31, 2003.
- 64. Addendum B. New Addendum containing the list of TRICARE-approved ambulatory surgery procedures valid for claims on or after November 1, 2003.

### **CHAPTER 10**

- 65. Table of Contents. Added Addendum A.
- 66. Section 1. Birthing Center Reimbursement adds reference to Addendum A figure.
- 67. Addendum A. Adds Birthing Center Rate Non-Professional Component for FY 2004.

### **CHAPTER 11**

- 68. Table of Contents. Removed Addendum A, B, and C for Fiscal Year 2001. Added Addendum A, B, and C for Fiscal Year 2004.
- 69. Section 1. Updated section with Fiscal Year 2004 information.
- 70. Section 4. Updated section with Fiscal Year 2004 information.
- 71. Addendum A (FY 2001). Deleted Addendum.
- 72. Addendum A (FY2004). Added Addendum for Fiscal Year 2004.
- 73. Addendum B (FY 2001). Deleted Addendum.
- 74. Addendum B (FY2004). Added Addendum for Fiscal Year 2004.
- 75. Addendum C (FY 2001). Deleted Addendum.
- 76. Addendum C (FY2004). Added Addendum for Fiscal Year 2004.

**SUMMARY OF CHANGES (Continued)**

**CHAPTER 12**

- 77. Section 1. Home Health Benefit Coverage and Reimbursement - General Overview changes the TBD date to the first day of health care delivery of the new contract.
- 78. Section 3. Home Health Benefit Coverage and Reimbursement - Assessment Process changes the TBD date to the first day of health care delivery of the new contract.
- 79. Section 6. Home Health Benefit Coverage and Reimbursement - Claims and Billing Submission Under HHA PPS changes the TBD date to the first day of health care delivery of the new contract.